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19 **UNITED STATES DISTRICT COURT**
20 **CENTRAL DISTRICT OF CALIFORNIA**
21 **WESTERN DIVISION**

22 SECURITIES AND EXCHANGE
23 COMMISSION,

24 Plaintiff,

25 vs.

26 ROBERT DEWAYNE MILLIGAN,
27 Defendant.

Case No. 2:15-cv-07308-AB-AGR

**JUDGMENT AS TO DEFENDANT
ROBERT DEWAYNE MILLIGAN**

1 The Securities and Exchange Commission having filed a Complaint and
2 Defendant Robert DeWayne Milligan having entered a general appearance; consented
3 to the Court's jurisdiction over Defendant and the subject matter of this action;
4 consented to entry of this Judgment without admitting or denying the allegations of
5 the Complaint (except as provided herein in paragraph VI and except as to personal
6 and subject matter jurisdiction, which Defendant admits); waived findings of fact and
7 conclusions of law; and waived any right to appeal from this Judgment:

8 I.

9 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is
10 permanently restrained and enjoined from violating, directly or indirectly, Section
11 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. §
12 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using
13 any means or instrumentality of interstate commerce, or of the mails, or of any
14 facility of any national securities exchange, in connection with the purchase or sale of
15 any security:

- 16 (a) to employ any device, scheme, or artifice to defraud;
17 (b) to make any untrue statement of a material fact or to omit to state a
18 material fact necessary in order to make the statements made, in the light
19 of the circumstances under which they were made, not misleading; or
20 (c) to engage in any act, practice, or course of business which operates or
21 would operate as a fraud or deceit upon any person.

22 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
23 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
24 binds the following who receive actual notice of this Judgment by personal service or
25 otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and
26 (b) other persons in active concert or participation with Defendant or with anyone
27 described in (a).
28

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Judgment by personal service or otherwise: (a) Defendant’s officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 5 of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption:

- (a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;

- 1 (b) Unless a registration statement is in effect as to a security, carrying or
2 causing to be carried through the mails or in interstate commerce, by any
3 means or instruments of transportation, any such security for the purpose
4 of sale or for delivery after sale; or
- 5 (c) Making use of any means or instruments of transportation or
6 communication in interstate commerce or of the mails to offer to sell or
7 offer to buy through the use or medium of any prospectus or otherwise
8 any security, unless a registration statement has been filed with the
9 Commission as to such security, or while the registration statement is the
10 subject of a refusal order or stop order or (prior to the effective date of
11 the registration statement) any public proceeding or examination under
12 Section 8 of the Securities Act [15 U.S.C. § 77h].

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
14 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
15 binds the following who receive actual notice of this Judgment by personal service or
16 otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and
17 (b) other persons in active concert or participation with Defendant or with anyone
18 described in (a).

19 IV.

20 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
21 Defendant shall pay disgorgement of ill-gotten gains, prejudgment interest thereon,
22 and a civil penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C.
23 § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. The
24 Court shall determine the amounts of the disgorgement and civil penalty upon motion
25 of the Commission. Prejudgment interest shall be calculated from May 1, 2010,
26 based on the rate of interest used by the Internal Revenue Service for the
27 underpayment of federal income tax as set forth in 26 U.S.C. § 6621(a)(2). In
28 connection with the Commission's motion for disgorgement and/or civil penalties,

1 and at any hearing held on such a motion: (a) Defendant will be precluded from
2 arguing that he did not violate the federal securities laws as alleged in the Complaint;
3 (b) Defendant may not challenge the validity of the Consent or this Judgment; (c)
4 solely for the purposes of such motion, the allegations of the Complaint shall be
5 accepted as and deemed true by the Court; and (d) the Court may determine the issues
6 raised in the motion on the basis of affidavits, declarations, excerpts of sworn
7 deposition or investigative testimony, and documentary evidence, without regard to
8 the standards for summary judgment contained in Rule 56(c) of the Federal Rules of
9 Civil Procedure. In connection with the Commission's motion for disgorgement
10 and/or civil penalties, the parties may take discovery, including discovery from
11 appropriate non-parties.

12 V.

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
14 Consent is incorporated herein with the same force and effect as if fully set forth
15 herein, and that Defendant shall comply with all of the undertakings and agreements
16 set forth therein.

17 VI.

18 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for
19 purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code,
20 11 U.S.C. §523, the allegations in the complaint are true and admitted by Defendant,
21 and further, any debt for disgorgement, prejudgment interest, civil penalty or other
22 amounts due by Defendant under this Judgment or any other judgment, order, consent
23 order, decree or settlement agreement entered in connection with this proceeding, is a
24 debt for the violation by Defendant of the federal securities laws or any regulation or
25 order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy
26 Code, 11 U.S.C. §523(a)(19).

27 VII.

28 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court

1 shall retain jurisdiction of this matter for the purposes of enforcing the terms of this
2 Judgment.

3 VIII.

4 There being no just reason for delay, pursuant to Rule 54(b) of the Federal
5 Rules of Civil Procedure, the Clerk is ordered to enter this Judgment forthwith and
6 without further notice.

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8 The Pretrial and Jury Trial dates are vacated.

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11 Dated: July 20, 2016

A handwritten signature in black ink, appearing to read "C. L. B.", is written over a horizontal line.

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13 UNITED STATES DISTRICT JUDGE
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